

**STATEMENT OF U.S. REPRESENTATIVE
GREGORY W. MEEKS (06-NEW YORK)
BEFORE THE SENATE COMMITTEE ON
COMMERCE, SCIENCE, AND TRANSPORTATION
FEBRUARY 1, 2001**

Chairman McCain, Ranking Member Hollings, and other distinguished Members of the Committee, thank you for the opportunity to testify today. Quite simply, I am here today because this issue has a profound significance for my district's current and future economic welfare.

At a time when major corporations are reducing their workforce by the thousands and our economy continues to show signs of weakness, the bankruptcy court and Justice Department have the opportunity to preserve thousands of jobs by immediately approving the acquisition of TWA's assets by American Airlines. By doing this, it will preserve more than 4,000 jobs at John F. Kennedy International Airport, which lies in the center of my congressional district, and more than 20,000 jobs nationwide. Furthermore, this deal also provides the much-needed financial stability of American Airlines' balance sheet to TWA's employees, creditors and other stakeholders who have been wandering in the financial desert since 1988.

As Missouri Senator Jean Carnahan commented last week, I too view American Airlines' proposal as a rescue mission for TWA. Let me be very clear: without American's intervention, TWA would have shut down around January 10th. A TWA shut down would have meant not only the thousands of employees out of work, but it would have resulted in the elimination of air service to communities in the northeast and throughout the midwest.

It is also important for you to recognize the economic impact of having an airline go out of business. My district still suffers from the devastating economic losses of Eastern Airlines and Pan American Airways. In both cases, the court allowed the airlines' assets to be liquidated to the highest bidder. It resulted in the two airlines' competitors acquiring Eastern and Pan Am's most prized routes. However, it also resulted in thousands of permanent displaced workers, who, in many cases, were employed by one of the carriers for more than 30 years. This action by the bankruptcy court left those Americans without any job and no benefits after a lifetime of service and dedication to Eastern or Pan Am. Clearly, we must not repeat that

mistake again.

As such, the proposed American/TWA transaction must be quickly resolved through the bankruptcy court and by the Justice Department to ensure the continued, long-term employment of thousands of New York residents who either work for TWA or whose companies provide services for TWA. I ask you to recognize the immediate urgency of this situation and that it represents, a truly exceptional circumstance. This deal is about preserving jobs and the retirement security of TWA's retirees – thousands of jobs and thousands of retirees' benefits. Any delay in the review process of the American/TWA transaction only serves to harm TWA's employees and their families, and jeopardize the air service now provided by TWA.

I would also like to express my strong support for the DC Air transaction. The partnership which DC Air has entered into with American Airlines gives DC Air the capacity to provide a higher level of service at a lower cost upon its initial operations than it would otherwise have been able to provide. By doing so, it gives Bob Johnson and DC Air the opportunity to succeed as a new entrant in the very competitive airline industry.

The strategic partnership between DC Air and American Airlines addresses the competition issues, provides an infusion of capital from the 49% stake being purchased by American in DC Air, and ensures that DC Air will have the airplanes and crews available to serve its 45 communities from its inception.

The DC Air/American Airlines partnership enables DC Air to move from a virtual airlines which it must remain until the United/US Airways merger is approved, to a fully operational airline serving some 45 communities from Washington National Airport overnight. It ensures that the commitment which DC Air has made to uninterrupted service to these communities will be kept and that DC Air will be a strong competitor to United Airlines at National Airport.

The DC Air/American Airlines partnership ensures the initial success of DC Air as an independent entity with a lower cost structure which can now be translated into lower fares for the consumers which will be served on the 45 routes by DC Air.

Mr. Chairman, let me conclude by again thanking you for the opportunity to testify. I hope that this distinguish committee sees the many public interest benefits of DC Air

as well as the American/TWA transaction.